

**APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF
NEVADA**

Date of filing in State Engineer's Office NOV 05 1996

Returned to applicant for correction _____

Corrected application filed _____

Map filed NOV 05 1996 under 62320 S2

The applicant Santa Fe Pacific Gold Corporation, Lone Tree Mine, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is Reservoir under Dam Permit J-440 (Mine dewatering discharge)
2. The amount of water applied for is 1.56 cfs second-feet
 - (a) If stored in reservoir give number of acre-feet 35 A.F. capacity
3. The water to be used for mining, milling and domestic
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 13, T.34N., R.42E., MDB&M, at a point from which the Northwest corner of said Section 13 bears N79°56'19"W a distance of 1328.5'
6. Place of Use Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23 24, and 27, T.34N., R.42E., MDB&M
7. Use will begin about January 1 and end about December 31, of each year.
8. Description of proposed works Pump and pipeline
9. Estimated cost of works \$500,000
10. Estimated time required to construct works 6 months
11. Estimated time required to complete the application of water to beneficial use 5 years
12. Remarks: This application is for a secondary permit under primary permit 62320. Lone Tree Mine added a flotation process to the existing gold processing circuit which will require an annual consumptive use of 1129 A.F. in addition to the existing permits that Lone Tree Mine has been issued.

By s/ Cynthia M. DeWeese
P.O. Box 388
Valmy, NV 89438

Compared cl/cms cl/cms

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This secondary permit is issued subject to the terms and conditions under Permit 62320. The granting of this permit is not intended in any way to waive or affect the authority of, or the requirements of, appropriate water quality control agencies or regulators. This permit is further issued subject to the provisions of NRS 533.395 and the State retains the right to regulate the use of water herein granted at any and all times.

It is understood that the amount of water herein granted is only a temporary allowance and that the final right obtained under this permit will be dependent upon amount of water actually put to beneficial use for mining, milling and domestic purposes.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.56 cubic feet per second, but not to exceed 1,129.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 17, 1999

Proof of completion of work shall be filed before:

July 17, 1999

Application of water to beneficial use shall be filed on or before:

June 17, 2002

Proof of the application of water to beneficial use shall be filed on or before:

July 17, 2002

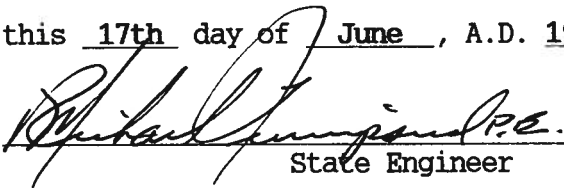
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,
State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 17th day of June, A.D. 1997


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____